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RUEHKA/AMEMBASSY DHAKA PRIORITY 1485  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4266  
RUEHLO/AMEMBASSY LONDON PRIORITY 5545  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1695  
RUEHCI/AMCONSUL KOLKATA PRIORITY 3665  
RUEHGV/USMISSION GENEVA PRIORITY 1780  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2850  
RHEFDIA/DIA WASHDC PRIORITY  
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001340

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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [KDEM](#) [NP](#)  
SUBJECT: KOIRALA THANKS U.S. AND CRITICIZES YCL

REF: KATHMANDU 1194

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) In comments to the Ambassador after serving as the guest of honor at the dedication of the New Embassy Chancery on July 11, Prime Minister (PM) Girija Prasad Koirala expressed deep concern about the intentions and goals of the Maoists. The PM was also worried about continued unrest in the Terai. On a positive note, the PM revealed that the Nepali Congress Party, which he heads, was discussing a deal with the Communist Party of Nepal-United Marxist-Leninist (CPN-UML) to cooperate in contesting the Constituent Assembly (CA) election. Widespread media coverage of the dedication focused on the Prime Minister's lament that the Young Communist League (YCL) had hurled stones at a car carrying the Ambassador, and his appreciation of U.S. support for democracy and human rights in Nepal.

Koirala Remains Worried About Maoists

2. (C) Speaking before journalists and invited dignitaries at the July 11 dedication of the New Embassy Compound Prime Minister Girija Prasad Koirala was vocal in his thanks for the United States' outspoken role in support of democracy and human rights. He repeatedly apologized for a May 25 incident in Jhapa in which Young Communist League (YCL) cadre threw stones at a car carrying the Ambassador. In a private meeting with the Ambassador immediately following the ceremony, the PM restated his thanks and voiced his continued concern about Maoist intentions.

...and the Terai

3. (SBU) While still concerned about the lack of security in the Terai, the PM said he thought the recent Constituent Assembly Members Election Act (reftel) would satisfy the main Madhesi groups. He also remarked that he would be willing to offer the Madhesi a significant number of seats in a cabinet formed after the Constituent Assembly election. The Ambassador replied that he was somewhat encouraged about the

situation in the Terai, and the relative lack of complaints about the Members Election Bill. The PM stated that he had spoken twice with Indian Foreign Minister Pranab Mukherjee and that Mukherjee also wanted peace in the Terai. Mukherjee had said India would do what it could to clamp down on illicit cross border activity.

#### Possible Deal with the CPN-UML

14. (C) PM Koirala complained that he was having great difficulty working with the CPN-UML and particularly with General Secretary Mahdave Kumar Nepal. Nevertheless, he stated that he wanted to work out an electoral deal or agreement to minimize their parties' candidates competing with each other in the CA election. The PM said the CPN-UML had expressed interest in such a deal, but the PM was unsure whether the two parties could seal it. While he found it difficult to trust M.K. Nepal, he found it impossible to trust the Maoists. The PM acknowledged the need for the Seven-Party Alliance to stay together to keep Maoists in line, and thus would keep trying to work with the CPN-UML. Koirala stressed that holding the election as scheduled on November 22 would be difficult, but agreed with the Ambassador that moving forward with the election was absolutely necessary. Koirala also did not believe that the Nepal Army and the Seven-Party Alliance would acquiesce to the Maoists gaining absolute power.

#### Widespread Media Coverage

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15. (U) All the Nepali broadcast and print media eagerly covered the dedication ceremony of the New Embassy Compound. The media focused on the Prime Minister, who spoke in English at the podium for over five minutes. Headlines and lead items focused on the Prime Minister's censure of the YCL's stoning of the Ambassador's car in Jhapa two months ago. The Prime Minister asked the Ambassador to leave this bad memory behind in Nepal.

#### Comment

16. (C) The PM stated that he was participating in the dedication ceremony against his doctor's orders, which added emphasis to his appreciation of the role played by the U.S. and his criticism of the Maoists and YCL. His mention of U.S. assistance in getting his brother, the late B.P. Koirala, released from jail for medical treatment added a personal touch to his remarks. Koirala appears to recognize the need for inclusion and has been working to keep the Seven-Party Alliance unified. The PM did not directly comment on the King, but he indicated that he preferred that the Constituent Assembly deal with the future of the monarchy. The PM's concerns about Maoist intentions also track with our own.

MORIARTY